

Kit Property B.C., Canada

Summary

The Kit property, located in north central British Columbia, lies 13 kilometres Northwest of the Louise Lake copper-gold porphyry system in a similar geological environment. The Lake Louise system has an estimated mineral resource of 50 million tonnes of 0.3% Cu and 0.3 g/t Au.

On the Kit property a series of shears and faults, with associated quartz veining, along the peripheries of intrusions host gold mineralization. Numerous samples have returned greater than 1 g/t Au with high values to 40 g/t Au and 29 g/t Au. These Au bearing veins require detailed sampling and trenching to determine their economic potential. The porphyry system also requires additional investigation.

Location

Teck Cominco staked the Kit property in August of 1997. The property consists of 2 claims (a total of 40 units) and is located approximately 45 kilometres west of Smithers. The property covers an east/west trending alpine ridge separated by steeply incised north trending creeks. Elevations on the property range from 1060 to 2000 metres and alpine begins at elevations of 1200 metres. The valleys contain hanging glaciers and are covered by extensive moraines.

History

The property was discovered and staked by Amax Exploration in 1964 however the ground was allowed to lapse. In 1967 Mastodon-Highland Bell Mines staked the property and from 1967/69 conducted geological, geochemical, magnetic and IP surveys. They also conducted hand trenching and drilled a single diamond drill hole (182m). Pechiney optioned the property in 1970/71 and drilled an additional nine diamond drill holes (1462m) before returning the property. Results of the drilling and trenching indicates low grade copper and molybdenum values in a porphyry system. Better results across 30 metres in an old trench averaged 0.58% Cu, 0.04% Mo and 0.22 g/t Au. In 1988/89 Kookaburra Gold Corp. conducted geological mapping, rock and soil sampling and identified precious metal values associated with a number of alteration styles and rock types. The property remained dormant until Teck Cominco's 1997 program, which consisted of geological mapping and soil/silt sampling.

Geology

The property covers an elongate east/west trending Bulkley (Quartz Monzonite-Granodiorite) stock that has intruded along an east/west contact between Jurassic Hazelton volcanics to the south and Cretaceous Bowser (Skeena) sediments to the north. The stock is at least 3.0 kilometres long and 400 to 900 metres wide. It displays extensive carbonate/sericite alteration with varying amounts of disseminated sulphides resulting in the formation of a moderate gossan. A large hornfelsed aureole, 250 to 400 metres wide, is associated with the stock and high sulphide content in the aureole has also contributed to the formation of the prominent gossan. Faulting is common on the property and important in the localization of mineralization.

Mineralization

A series of north south trending faults and shears are present on the north and south sides of the intrusive stock and have associated quartz veining that carries precious metal mineralization. Sampling has shown good Au potential for a number of these veins within sediments and volcanics peripheral to the porphyry stock. A variation in mineral content and textures was observed and reflected in the assays. There is a general association between elevated Au and As and elevated values of Ag, Bi, Cu, Mn, P, Pb and Zn were also returned from shears with associated quartz/carbonate/sulphide veins. On the property sampling is difficult due to topography and some of the samples taken were from proximal float at the base of cliffs and draws.

On the south side of the stock a high value of 37.2 g/t Au was returned from a quartz vein in float at the base of a cliff. Sampling on the south side also returned high Sb (2775 ppm to 3.45%) in a quartz vein that ranged from 4 to 6m wide. Although gold was not elevated in this case, high As (up to 6355 ppm) is associated with the Sb.

A large group of elevated gold values is concentrated in veins and shears along the north side of the intrusive stock, however this concentration may be partially due to access for sampling as large portions of the south side are snow/glacier. The best result from this area assayed 29.7 g/t Au, 23.5% As, 21.8 g/t Ag and 0.49% Cu. This was one of eleven samples that returned greater than 1.0 g/t Au with arsenic values greater than 0.9% As. These samples come from north/south striking quartz veins/shears located west of the central north/south valley on the property.

The highest gold value returned from the property to date is 40 g/t Au (with 96.8 g/t Ag) and was collected from massive sulphide float discovered east of the central north/south valley and along the north side of the intrusive contact

Sampling of the central intrusive area has generally returned low metal values with the exception of a small sulphide vein in a zone of strong quartz/sulphide stockwork in the intrusive which returned 395 g/t Ag, 5.00% Zn, 0.61% Cu, 0.79% Pb and 590ppb Au.

Recommendations

Of immediate interest are the areas of precious metal rich veining that appear peripheral to the intrusive stock. Several styles of veining are present in both volcanics and sediments. These veins and altered zones contain highly elevated Au, As +/- Ag, Bi, Cu, Sb, Pb, Zn values and require more detailed sampling and mapping to define size and trends.

Detailed mapping and trenching of the area north of the intrusive contact and west of the central north/south valley, where the group of eleven samples returned +1.0 g/t Au from quartz veins/shears, is seen as the next logical stage of exploration. Once defined by mapping and sampling further trenching and/or drilling can test specific targets.

Extensive alteration is present in the core porphyry system and is comprised of potassic and carbonate alteration with widespread quartz stockwork and related copper/gold mineralization. Sampling returned high silver and zinc values from a small sulphide vein here but size potential may be limited. The area has extensive talus and moraine cover and requires trenching or drilling possibly aided by a combination of grid soils, IP surveys and detailed mapping with an emphasis on alteration and structure.

